Surplus funds with PSUs

496. SHRI B.K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether to augment its funding resources the Centre may ask the public sector enterprises with a cash surplus of more than Rs. 10,000 crores to pay higher dividends;

(b) whether cash reserves with many PSUs such as BSNL, Coal India, HAL, NMDC, ONGC, NTPC etc. far exceed the amounts they may need for investment; and

(c) if so, whether Government would ensure that the idle surplus cash with PSUs are made available to help the Centre to fund social welfare programmes?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI NAMO NARAIN MEENA): (a) No, Sir. Centre has no such plan at present to ask the public sector enterprises with a cash surplus of more than Rs. 10,000 crore to pay higher dividend.

(b) Up-to-date information is not readily available with the Ministry of Finance regarding cash reserves of profit making Public Sector Undertakings. It is being compiled and will be made available shortly.

(c) The question does not arise.

Selling stakes of PSEs

497. SHRI RAJEEV SHUKLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government has approved a new plan to sell stakes in Public Sector Enterprises (PSEs) as reported in the media;

(b) if so, the details thereof;

(c) the target of revenue likely to be generated; and

(d) to what extent it will control budgetary gap?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The policy on disinvestment articulated in the President's Speech to Joint Session of Parliament on 4th June, 2009 and Finance Minister's Budget Speech on 6th July, 2009 requires the development of "people ownership" of Central Public Sector Undertakings (CPSUs) to share in their wealth and prosperity, with Government retaining majority shareholding and control. This objective is relevant to profit-earning CPSUs as it is only these that will sustain investor-interest for sharing in their prosperity.

In line with this policy announcement, Government has decided that: (i) already listed profitable CPSUs not meeting the mandatory public shareholding of 10% are to be made compliant; and (ii) all CPSUs having positive networth, no accumulated losses and having earned net profit for three preceding consecutive years, are to be listed through public offerings out of Government shareholding or issue of fresh equity by the company or a combination of both.